

Members

Rep. Brian Bosma, Chairperson
Rep. Russell Stilwell
Sen. James Lewis
Sen. Thomas Wyss



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LEGISLATIVE COUNCIL ECONOMIC DEVELOPMENT CORPORATION SUBCOMMITTEE

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MEETING MINUTES¹

Meeting Date:	October 21, 2003
Meeting Time:	10:00 A.M.
Meeting Place:	State House, 200 W. Washington St., Room 404
Meeting City:	Indianapolis, Indiana
Meeting Number:	4

Members Present: Rep. Brian Bosma, Chairperson; Rep. Russell Stilwell; Sen. James Lewis; Sen. Thomas Wyss.

Members Absent: None.

I. Call to Order

Representative Bosma called the meeting to order at 10:21 a.m.

II. Presentation by Indiana Port Commission

William D. Friedman, Executive Director of the Indiana Port Commission, distributed a summary of his remarks to the Subcommittee (available from the Legislative Information Center as Exhibit 1).

The Commission has developed and managed three maritime ports with excellent records of attracting private investment and lowering transportation costs for Hoosier firms and farmers, acting as a steward of public facilities, working with private tenants, focusing on logistical efficiency, promoting economic development.

¹ Exhibits and other materials referenced in these minutes can be inspected and copied in the Legislative Information Center in Room 230 of the State House in Indianapolis, Indiana. Requests for copies may be mailed to the Legislative Information Center, Legislative Services Agency, 200 West Washington Street, Indianapolis, IN 46204-2789. A fee of \$0.15 per page and mailing costs will be charged for copies. These minutes are also available on the Internet at the General Assembly homepage. The URL address of the General Assembly homepage is <http://www.ai.org/legislative/>. No fee is charged for viewing, downloading, or printing minutes from the Internet.

The Commission operates as a true public enterprise. Private firms "buy" Commission facilities and services at market, compensatory rates. No public funds are used to pay for facility operations. For every \$1 of state funds invested in Commission operations, \$15 of private and federal investments are made in Indiana.

The current structure of the Commission provides an effective balance between autonomy and oversight. The Governor appoints commissioners and the General Assembly appropriates capital funds for basic infrastructure, if needed. Commission staff coordinate their activities with the Governor's office, the Indiana Department of Commerce, the Department of Natural Resources, the Indiana Department of Transportation, the Indiana Department of Environmental Management, and other agencies.

The Commission intends to use its new statutory authority enacted in the 2003 legislative session, to pursue the development of intermodal rail ports in Indiana. Intermodal rail is the movement of freight, usually in a container, by railroad and at least one other mode of transportation-i.e. rail to truck. Companies save time and money by using the most efficient mode of transportation for each portion of a trip and transferring from one mode to another without re-handling cargo. Intermodal rail ports are the stations that allow carriers to transfer cargo between different transportation modes, just as Indiana's waterway ports connect rail, road and water.

III. Review of Preliminary Drafts

Ed Gohmann, Staff Attorney for the Subcommittee, distributed the following Preliminary Drafts (PD) to the Subcommittee for review (available from the Legislative Information Center as Exhibits 2 through 6, respectively):

- (1) PD 3395 (Indiana Economic Development Corporation).
- (2) PD 3397 (Department of Tourism and Community Development).
- (3) PD 3070 (Indiana Development Finance Authority).
- (4) PD 3300 (Office of Energy Policy).
- (5) PD 3302 (Commissioner of Agriculture).

Mr. Gohmann indicated that the PD's are based on drafts presented to the Subcommittee at the September 24 meeting. However, changes have been made to incorporate changes recommended by the Caucus Staff after that meeting. As requested by the Subcommittee, the Legislative Services Agency Staff met with Emily Weikert, Clint McKay, Dan Novreske, and Jeff Spalding to review the list of policy issues submitted to the Subcommittee on September 24. Changes unanimously agreed to at these meetings have been incorporated into the PD's. He distributed a memorandum that described these changes in greater detail (available from the Legislative Information Center as Exhibit 7).

The Subcommittee recessed for lunch at 12:15 p.m. The Subcommittee reconvened at 1:30 p.m.

IV. Discussion of Additional Changes to Preliminary Drafts

The Subcommittee directed the Staff to make the following changes to PD's before the next meeting of the Subcommittee:

(A) IEDC Board

Revise the make-up of the Board of the Indiana Economic Development Corporation (IEDC) as follows:

(1) The appointments previously made by the four legislative leaders will now be made by the Governor. In making four of these appointments, the Governor shall consider the recommendations of the four legislative leaders.

(2) The Chairman of the Indiana Port Commission (or the Chairman's designee) and the Chairman of the Indiana Development Finance Authority (IDFA) (or the Chairman's designee) are made nonvoting member of the IEDC Board. If the Lieutenant Governor is serving as the Chairman of IDFA, the members of the Authority shall choose another member to serve on the IEDC Board.

(B) Ethics

Provide that the Board and the employees of the IEDC shall be under the jurisdiction of and rules adopted by the State Ethics Commission. Authorize the Board to adopt additional ethics rules and requirements that are more stringent than those adopted by the State Ethics Commission.

(C) Advisory Boards\Committees

Authorize the IEDC Board to establish entities to advise the Board and the Corporation on issues determined by the Board. If the Board establishes an advisory entity, the advisory entity must:

- (1) have members that represent all geographic areas and economic sectors of Indiana; and
- (2) include members or representatives of local economic development organizations.

Authorize the Department of Tourism and Community Development (DTCD), and the Office of Energy Policy (OEP) to establish advisory committees.

(D) IEDC Board Meetings

Eliminate language that allows the IEDC Board to meet by teleconference.

(E) Subsidiaries of the IEDC

Delete the provision making the Indiana Development Finance Authority a subsidiary of the IEDC.

Add the Indiana Business Modernization and Technology Corporation to the list of the IEDC subsidiaries.

(F) Bonding Language

Delete the IEDC's authority to issue debt.

(G) LEDO \ Low-Income Housing Grants

Split the provisions concerning local economic development organization (LEDO) grants and low-income housing grants into two parts. The LEDO grant provisions are transferred to the IEDC, and the low-income housing grant provisions are transferred to the DTCD.

(H) Indiana Economic Development Council

Abolish the Indiana Economic Development Council.

(I) Rural Development Program and Fund

Transfer the Rural Development Program and Fund under the DTCD rather than the IEDC. Under current law, the Department of Commerce administers the Rural Development Fund to provide grants to "qualified entities" (municipalities, nonprofit corporations, regional water, sewage, or solid waste districts, or conservancy districts) for the purpose of carrying out a "rural development program."

(J) Trademarks Program

Transfer the program concerning trademarks for use on Indiana products under the IEDC.

V. Adjournment

The Subcommittee adjourned at 3:10 p.m.